

SECRET

00/565-2782

FILE Personnel 7

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Grade Control Systems for Agency Positions

REFERENCES : (1) Action Memorandum A-436 dated 23 January 1965  
(2) Memorandum from D/Pers to Executive Director-Comptroller dated 26 February 1965, same subject

1. This memorandum contains a recommendation for your approval in paragraph 5.

2. The Assistant Deputy Director for Plans has proposed that some modification be made in the grade control system for Agency positions established in accordance with the memorandum of 26 February 1965 to provide greater flexibility in the management of the organization. He feels that the requirement for making compensating adjustments on a case-by-case basis frequently involving other Career Services will seriously hamper operations and restrict flexibility. The postponement of adjustments for a reasonable period, on the other hand, will, he believes, facilitate the location and identification of compensating positions. He has proposed that the grade control system be modified to permit the deferral of necessary adjustments for specific periods of time with the understanding that adjustments will be made at the end of each period to adhere to the restrictions imposed by the Bureau of the Budget.

3. I believe that some modification to achieve greater flexibility may be desirable. Therefore, I propose the following changes in the ground rules stated in reference (2).

a. When positions are upgraded or new positions are established, compensating adjustments will be made at once if practicable.

b. Where such compensating adjustments are not immediately practicable, a record of grade and salary changes will be maintained by the Office of Personnel and at the end of each quarter appropriate downward adjustments will be undertaken in collaboration with officials of the office concerned.

c. In the event that at the end of any quarter compensation appears impossible or impracticable the approval of the Executive Director-Comptroller for an increase in average grade will be required.

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

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**SUBJECT: Grade Control Systems for Agency Positions**

d. Grade and salary controls will be maintained on a Directorate or Independent Office basis rather than by components within the Directorates. Within a Directorate controls may also be maintained on a Career Service basis.

e. If at any time it appears in the judgment of the Director of Personnel that this proposal is not succeeding in maintaining adequate grade and salary controls, he will recommend appropriate modification.

f. These ground rules will be applicable to all Deputy Directorates and Independent Offices.

4. This proposal has been internally coordinated with the Intelligence, Plans, and Science and Technology Directorates and has their concurrences.

5. It is recommended that the ground rules proposed in paragraph 3 be approved.

/s/ Emmett D. Echols

**Emmett D. Echols**  
**Director of Personnel**

**CONCURRENCE:**

/s/ L. K. White

**L. K. White**  
**Deputy Director**  
**for Support**

17 JUN 1965

**Date**

The recommendation in paragraph 5 is approved.

/s/ **James H. Kirkpatrick**  
**Executive Director-Comptroller**

*Original placed*

25 June 65  
**Date**

**SECRET**

**Distribution:**

0 - Return to D/Pers

1 - ER

1 - DPAM

2 - DD/S

1 - D/Pers

2 - OD/SAC (w/held)

Chrodo. Subject

OD/Pers,   sec (15 June 1965)

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Approved For Release 2002/08/15 : CIA-RDP84-00780R000900060001-8

TRANSMIT		DATE
TO: Colonel White		CIA-RDP84-00780R000900060001-8
ROOM NO.	BUILDING	
REMARKS:		
Recommend your concurrence.		
✓ VRT		
FROM:		
ROOM NO.	BUILDING	EXTENSION

Approved For Release 2002/08/15 : CIA-RDP84-00780R000900060001-8

DD/S 65-1889  
W  
6 APR 1965  
DD/S REGISTRY  
FILE *under 7*

MEMORANDUM FOR: Assistant Deputy Director for Plans

SUBJECT : Grade Control System for Agency Positions

REFERENCE : Memo fr AID/P to D/Plns dtd 25 Mar 65, same subject

1. This memorandum is in response to comments contained in referenced memorandum concerning the temporary grade controls set forth in my memorandum of 26 February 1965.

2. A review of Action Memorandum A-436 and my memorandum of 26 February might put this discussion in better perspective. Action Memorandum J-436, issued by the Executive Director-Comptroller, provided among other temporary measures that there be no upgrading of positions. This prohibition was, as I understand it, deemed necessary to avert further increases in average grade and salary until satisfactory controls could be developed to implement limitations which had been arbitrarily imposed by the Bureau of the Budget, the severity of which is at present the subject of negotiations with the Bureau. Literal application of the "no upgrading" rule would have made it impossible for the Agency to effect necessary organizational changes until a more permanent system reflecting the final outcome of the Agency's negotiations with BOB has been developed. The guides proposed in my memorandum of 26 February were designed to provide temporary rules to permit necessary table of organization changes consistent with the principle of the "no upgrading" rule.

3. I share your desire to make any control measure as simple and flexible as possible and shall study in collaboration with other elements concerned the feasibility of the suggestion offered in paragraph 5 of your memorandum. Semi-annual correction of average grade imbalances on the basis of a net difference would indeed reduce the paper work involved. It occurs to me, however, that the proposal might not be as adaptable to other Directorates in which personnel and position control is more decentralized than in the Plans Directorate. Also, it seems that deferring necessary adjustments entails a considerable risk that a sizable excess over average grade might well aggravate the magnitude of the downgrading problem when the semi-annual balancing takes place.

4. In addition to the comments above, I believe it is necessary to clarify the example given in paragraph 3 of your memorandum relating to a request from EE Division for the deletion of eleven positions. I had no record or personal recollection of seeing this request or taking any action on it. Consequently,

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I have investigated and the sequence of events as reported to me is as follows: (a) EE Division forwarded to the Salary and Wage Division a request to delete a list of eleven positions; (b) a representative of SWD returned this list to the EE Support Staff with the explanation that either (1) compensating down-gradings or (2) an explanation of the elimination of these positions be provided so that there would be a basis for the Executive Director-Comptroller to approve an increase in average grade; (c) EE Support declined to provide any explanation on the grounds that the Deputy Director for Plans had issued no written instructions requiring that this be done; (d) EE Support referred the matter to the DDP/OP for consideration. If EE wishes to resubmit their request with an explanation of the reason for the increase in average grade, we shall be glad to present it to the Executive Director-Comptroller for approval.

/s/ Emmett D. Echols

Emmett D. Echols  
Director of Personnel

cc: Exec Dir-Compt  
DD/I  
DD/SMT  
DD/S ✓

Distribution:

- O&I - Addressee
- lea - DDI, DDS, DDS&T, Exec Dir-Compt
  - 1 - C/SWD/OP w/cy basic
  - 1 - D/Pers Subj w/basic
  - 1 - D/Pers Chrono

OD/Pers/  hc (6 Apr 65)

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SENDER WILL CHECK CLASSIFICATION FOR THIS FORM			
UNCLASSIFIED		CONFIDENTIAL	X SECRET
<p align="center"><b>CENTRAL INTELLIGENCE AGENCY</b>  <b>OFFICIAL ROUTING SLIP</b></p>			
TO	NAME AND ADDRESS		DATE INITIALS
1	Deputy Director for Support		
2	7 D 18, Hq.		
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	X INFORMATION	SIGNATURE
<p><b>Remarks:</b></p>			
<p align="center"><b>FOLD HERE TO RETURN TO SENDER</b></p>			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
<p>Approved For Release 2002/08/15 : CIA-RDP84-00780R000900060001-9</p>			
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25 MAR 1965

MEMORANDUM FOR: Director of Personnel

SUBJECT : Grade Control System for Agency Positions

REFERENCE : Memorandum from Director of Personnel to Executive Director-Comptroller, dated 26 February 1965; same subject.

1. The referent Memorandum which was covered orally by the Director of Personnel at last week's Financial Policy and Budget Committee has been received. I note with some surprise that it has already been concurred in and approved, since it propounds the type of action which is considered an appropriate subject for a priori discussion in the Committee proceedings. There are, however, more substantive reasons noted below for the revision or the rescission of the measures established by this Memorandum.

2. As you know, we are endeavoring strenuously to bolster our operations against the USSR. In this connection, we have been considering the addition by transfer-in of a GS-12 Biographic Analyst from the OD/I to provide badly needed operational support to a substantial number of operative case officers. This individual's average salary appears to be within permissive limits but the average grade is not. We are, therefore, faced with establishing a new position since, although there are lower positions available, there is no corresponding or higher position which can be deleted in the unit in question as the Memorandum stipulates. We are faced here, therefore, with deleting a GS-12 position in an entirely different unit or seeking approval at high level to add a position for an individual who those responsible for operations agree is vitally necessary.

3. We, likewise, face problems in following the provisions of the referent Memorandum when we reduce the authorized strength of an organization. The Memorandum presumably decrees that positions to be abolished must average in grade no less than that of the organization's existing average grade. In effect, this

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DATE 11/19/01 BY SP-6 BTJ/STW
REASON: EXECUTIVE ORDER 11652, paragraph 1(c)



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- 2 -

means that the grade of the position rather than necessity for its retention is the criterion we are directed to follow. To illustrate: EE Division was asked to delete their 11 least essential positions to meet a ceiling reduction. After appropriate review, EE submitted a list of 11 such positions. The request for their abolition has now been returned by the Director of Personnel with instructions either to select higher average grade positions for deletion or to downgrade some 26 other positions by one grade, or the equivalent thereof. As another example, we are now considering the merger of two CS units for purposes of economy and sound structure, one of the results of which will be the abolition of one or more lower grade positions. As in the previous instance, the referent Memorandum mitigates against any action resulting in the deletion of lower grades except by prior approval of the Executive Director. It would seem, therefore, that our management approach becomes somewhat inverted when we cannot do away with surplus clerical and service positions in which we have little at stake, except with the prior approval by the Executive Director, but are encouraged explicitly and implicitly to abolish other more senior positions occupied by or programmed for officers with operational training and experience, in which the occupant and ourselves both have a big investment.

4. None of the cases outlined in the preceding two paragraphs are of overwhelming significance in themselves; but they are not isolated instances; they can be expected to occur frequently in the ordinary course of our business. When position changes involve the crossing of career service lines, even greater problems of average grade and salary arise. Such problems always involve two components or more and their resolution is costly, time consuming and fraught with difficulty. As a consequence, I would point out that if we are not afforded workable latitude in managerial matters of this kind, we as an organization shall quickly become enveloped in the quicksands of procedure. We understand fully the President's position and we have adopted average grade and average salary goals. We also understand that if we vary on the upward side from established levels we must sooner or later compensate for that variance with a downward revision elsewhere, and vice versa. However, to require that an offset be effected simultaneously with the variation results only in an untenable restriction of that flexibility which is the sine qua non of our managerial responsibility. The President, much as he wants control, could

- 3 -

hardly have contemplated that control be carried to a degree wherein the action instrumentalities of his Administration, our being a case in point, would be so constricted that they could not perform the duties he has laid out for them. Such a contradiction must stem from the misapplied zeal of the Bureau of the Budget or our own miscalculated eagerness to comply, or both.

5. Without disparagement of the norms of the average grade/average salary control concept, I would recommend that the referent Memorandum be rescinded or modified by a procedure that is tenable and workable. For instance, we are prepared to record grade and salary adjustments involving our career service as they are made, to maintain the records which will provide information as to the extent of deviation from average grade and salary norms and to make adjustments to bring them in balance at regular intervals, say semi-annually.



25X1

Assistant Deputy Director for Plans

cc: Ex.Dir.  
✓DD/S  
DD/I  
DD/S&T

3 March 1965

Colonel White:

Mr. Clarke called to say that he has received Mr. Echols' memo on steps to take to hold down the average grade. He said these steps have all been included in various Action Memos and that this obviously is the way "we have to behave." Since Mr. Kirkpatrick is away we will not get an approval right away, but Mr. Clarke is going to recommend approval.

sbo



DD/565-0855  
26 FEB 1965

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Grade Control System for Agency Positions

REFERENCE : Action Memorandum A-435 dated 23 January 1965

1. This memorandum contains a recommendation for your approval in paragraph 6.
2. Action Memorandum A-435 states there shall be no upgradings until an appropriate monetary and grade control system is established. In view of the stringent average salary controls that have been levied on the Agency, it is necessary to maintain a very prudent approach to the Agency's grade structure and any changes thereto.
3. Upgrading of positions is but one of several ways in which the average grade level may be raised. Others are: establishment of a new position above the average grade, deletion of a position below the average grade, simultaneous establishment and deletion of positions at different grade levels, and overall reorganization of a component.
4. It is undesirable, however, to deny for any length of time all adjustments of individual position grades or otherwise approved and necessary organizational changes. We propose therefore that, at least as long as the current average grade and salary restrictions are in force, the following guides apply:
  - a. Individual position upgradings be made only when compensating downgradings on an equivalent grade-for-grade basis are made.
  - b. New positions be established only with corresponding deletions of positions of equal or higher grade.
  - c. Addition of new positions without corresponding deletions must be at the average grade and salary level or below.
  - d. Overall reorganizations must be accomplished within the existing average grade and salary level.
  - e. There shall be no increase in the total number of positions at GS-14 and above, including supergrades and Scientific Pay Schedule positions.
5. Exceptions to the guides stated in paragraph 4 may be required in some instances. For example, the elimination of several positions below average grade without establishing new positions may result in an increase in average grade. Also, the establishment of a new function requiring new positions may require an increase in average grade or the

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**SUBJECT: Grade Control System for Agency Positions**

addition of a position at GS-14 or higher. In order to hold such exceptions to a minimum and to permit only those which are fully justified and defensible, we propose that exceptions require your approval.

6. It is recommended that the guidelines stated in paragraph 4 and the provisions for exceptions stated in paragraph 5 be approved.

/s/ Emmett D. Echols

Emmett D. Echols  
Director of Personnel

**CONCURRENCE:**

/s/ L. K. White

L. K. White  
Deputy Director  
for Support

1 MAR 1965

Date

The recommendation in paragraph 6 is approved.

151  
Lyman B. Kirkpatrick

Executive Director-Comptroller

8 Mar 65  
Date

**Distribution:**

- 0 - Return to D/Pers
- 1 - ER
- 1 - ADAM
- 2 - DD/S *Change Subject*
- 1 - D/Pers
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OP/SWD:            (12 February 1965)

Rewritten: OS/Pers (17 February 1965)

*1 Memo to D/Sen 3/15/65*

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TRANSMITTAL SLIP			1 March 1965		
TO:					
Colonel White					
ROOM NO.		BUILDING			
REMARKS:					
<p>Paragraph 4b has been rewritten in accordance with your instructions to Mr. Echols.</p> <p>Recommend concurrence.</p> <p style="text-align: right;">VT VRT</p>					
FROM:					
ROOM NO.		BUILDING		EXTENSION	

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Next 1 Page(s) In Document Exempt

Approved For Release 2002/08/15 : CIA-RDP84-00780R000900060001-8

24 February 1965

Colonel White:

STAT  
STAT

These controls may be inevitable but I think they may give us a real problem in managing the Support Officers Development Program. For example, [ ] is anxious to get some of our JOT's to improve the administration in stations in Latin America. [ ] is one such station. Ed states that the administrative position there is a GS-7 while the station has [ ] personnel on duty. He has been unable to convince Salary and Wage Division people that the slot should be higher. Perhaps this sort of situation could be covered under the exceptions which Mr. Echols provides for in paragraph 5.

STAT

Since we do not know at the moment how many Support JOT's can be assigned to WH Division, I recommend your concurrence in the memorandum and that we request some relief when we know more specifically what the problem is.

We are now working with [ ] and the division Support Chiefs in an attempt to match up requirements with available personnel.

STAT



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DD/S 65-0855  
19 FEB 1965

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Grade Control System for Agency Positions

REFERENCE : Action Memorandum A-436 dated 23 January 1965

1. This memorandum contains a recommendation for your approval in paragraph 6.

2. Action Memorandum A-436 states there shall be no upgradings until an appropriate monetary and grade control system is established. In view of the stringent average salary controls that have been levied on the Agency, it is necessary to maintain a very prudent approach to the Agency's grade structure and any changes thereto.

3. Upgrading of positions in but one of several ways in which the average grade level may be raised. Others are: establishment of a new position above the average grade, deletion of a position below the average grade, simultaneous establishment and deletion of positions at different grade levels, and overall reorganization of a component.

4. It is undesirable, however, to deny for any length of time all adjustments of individual position grades or otherwise approved and necessary organizational changes. We propose therefore that, at least so long as the current average grade and salary restrictions are in force, the following guides apply:

a. Individual position upgradings be made only when compensating downgradings on an equivalent grade-for-grade basis are made.

? | b. Establishment of new positions with corresponding deletions of positions must be on an equivalent grade-for-grade basis.

c. Addition of new positions without corresponding deletions must be at the average grade and salary level or below.

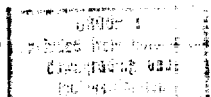
d. Overall reorganizations must be accomplished within the existing average grade and salary level.

e. There shall be no increase in the total number of positions at GS-14 and above, including supergrades and Scientific Pay Schedule positions.

5. Exceptions to the guides stated in paragraph 4 may be required in some instances. For example, the elimination of several positions below average grade without establishing new positions may result in an increase in average grade. Also, the establishment of a new function requiring new positions may require an increase in average grade or the

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